

CASE PROBLEM 3

Ramsey Steel Faces Pollution Charges

The Situation:

You are the public relations manager for Ramsey Steel. Ramsey has a massive steel mill with 14 open-hearth and 4 electric furnaces. The open-hearth furnaces present major technical difficulties in collecting and controlling air emissions, which result in air pollution and are becoming problematic to the community and company. Ramsey has long been aware of the potential pollution problem. The company's first Pollution Control Director was named 36 years ago and just retired last month.

The economics of the steel industry establish certain parameters relative to the cost of furnace installation. To install all new electric furnaces at once would be prohibitive because it would require \$40 million to \$50 million up front.

Ramsey has, despite the cost, made a policy decision to replace all the open-hearth furnaces with electric furnaces of equal or greater capacity. Two open-hearth furnaces have just been removed from production and two new electric furnaces installed. At a cost of \$2.5 million, new smoke control devices known as High Energy Scrubbers have been installed and are doing an excellent job. Also, scrubbers will be installed in the two older electric furnaces at an additional expenditure of \$2 million. The company has set a timetable for replacing the remaining 12 open-hearth furnaces within 20 years and has committed to reducing emissions for its furnaces if a new technology becomes available during that period.

Meanwhile, the company continues to actively test new technologies and is committed to investing in systems that are effective in controlling the pollution created by open-hearth furnaces. As a result of this testing, new overhead systems were recently installed, including a \$500,000 High Velocity Centrifugal Separator; however, the separator was found to be insufficient. Subsequently, additional equipment, including a bag house and spray chamber costing \$1 million, was tried and found to help but not solve the pollution problem.

There is an increasing volume of local publicity about air pollution (mostly slanted and inaccurate) in the daily press and over the broadcast media. Until recently Ramsey had not been specifically mentioned in the publicity, but last month Ramsey Steel was named "Polluter of the Month" by the county's Pollution Control Office. Much negative publicity followed, which was handled according to Ramsey's Crisis Communications Plan.

Ramsey's mill manager expresses concern about adverse effects the publicity may have on the company's future. In light of the overall situation and recent events, the mill manager has requested that you develop a comprehensive corporate communication plan for Ramsey Steel.

Read all following steps, then proceed.

Step 1: Describe the formal and informal research that is needed. Identify a source of information and rationale for each activity that is recommended.

Findings from your research:

- Ramsey's customers are sympathetic to the company.
- Most complaints come from a few people living in the vicinity of the mill who moved into the area after the mill was built and operational.
- In the greater metropolitan area, the public-at-large is not aware of the exceptional effort and millions of dollars spent by the company.
- A small majority (55 percent of those queried) believe the “Polluter of the Month” award is deserved and feel that the company is concerned only with profits and not with the public welfare.
- Others realize that public incineration and automobile exhaust are responsible for much pollution.
- The mill is located adjacent to two smaller municipalities.
- County Commissioners seem basically sympathetic to the company's difficult problem, but are also afraid of voter sentiment.
- Some City Council members in the city where Ramsey Steel is located are wondering what they can do to bring Ramsey and other industrial plants in line.
- Some other industries in the area apparently put profits before public health and have made no moves to control air pollution.

Step 2: In light of what you have learned, draft a broad goal for your communications effort – the end result you will hope to achieve for the company.

Step 3: Identify five (5) key publics, audiences or constituent groups to be included in your communications plan.

Step 4: Select one of those groups. Write one short-term and one long-term objective for your communications plan to address that target group and work toward your goal.

Step 5: Write two strategies to address that group, telling how you will work toward your objective.

Step 6: Write your main message for that group at this time.

Step 7: Identify three tactics or tools you will use to carry out your strategies. Identify which strategy each tactic is intended to carry out. (Your tactics may be the same for both strategies; they may be different.)

Step 8: Determine a spokesperson for each tactic.

Step 9: Estimate the costs associated with each tactic, including out-of-pocket expense, staff or volunteer time and in-kind donations.

Step 10: Draft a timetable for your communications plan. Set up a Gantt chart or some other device to show concisely how your plan will proceed.

Step 11: Consider how and when you will evaluate progress toward your short-term and long-term objective, and add that to your timetable. Where will you provide an opportunity for correcting your course, if that appears strategic?

Step 12: Determine how and when you will evaluate progress toward your overall goal, and add that to your timetable.